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REMARKS

Claims 1-44 were pending. Claims 1, 32, 35, 36, 38, 42 and 44 are

amended. No Claims are canceled. Claims 45-48 have been added.

Accordingly claims 1-48 will be pending upon entry of the above amendment.

Claims 42-44 were objected to because of informalities. Such claims

have been amended in accordance with the Examiner's suggestions.

All claims were rejected on various combinations of the cited references,

including what appear to be the primary references of U.S. Patent No.

6,313,835 issued to Gever et al.; U.S. Patent No. 6,308,206 issued to Singh;

and U.S. Patent No. 6,490,601 issued to Markus et al.

The Claimed Invention

According to the present invention, advertisements are an integral part of

a presentation or entertainment, which is contrary to the cited prior art. Some of prior art places a banner ad on a Web page, much like an ad in the newspaper.

Other prior art places an ad at the beginning, during, or at the end of a

streaming video, much like the way commercials are inserted into programs on

TV.

Prior-art ads are positioned near the entertainment, but are not related to

or made part of the entertainment and are thus easily ignored. With the present invention advertisements are built into and become an integral part of the

entertainment (like a virtual form of product placement), so they are difficult to

ignore. The present invention ads are non-interrupting and are integral, and

could be a meaningful, important component of the animation. The present

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invention ads could play a featured role in the animation entertainment, while prior art ads are free-standing and independent.

Also, and among other things, the present invention includes a feature of having changeable advertisements stored separate from the multimedia presentation. This enables the present invention to provide advertising from

different advertisers in a single embedded advertisement placeholder.

In other words, a given item or object may be in a first or "generic"

presentation, and the object can have an embedded advertisement placeholder. As the object moves relative to other parts in the animation, the embedded

advertisement placeholder can change advertisements without having to

change the underlying generic presentation.

As an example, if the object of the present invention is clothing worn by a character in the animation, the embedded advertisement placeholder may

display NIKE® but when the demographics of the user changes, the

placeholder may display COKE®. This is in contrast to prior art advertising where the entire animation had to be changed for the advertisement to change.

Gever et al. (US6313835)

According to the office action, Gever does not disclose a character

having an embedded placeholder. Applicants agree.

Singh (US6308206)

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The Examiner argues that Singh '206 shows that the use of "embedded placeholders" is well known, and relies on col. 3, lines 50-63 for such argument.

Markus et al. (US6490601)

The Examiner argues that Markus (col. 1, line 66 to col. 2 line 37) shows

that it is well known that advertisements can be stored separately from a

website. It is also argued by the Examiner that Markus teaches delivering to the user an ad created by the inserter means from the website and the set of ads

stored separately.

LeMole et al. (US6009410)

According to the Examiner, it is well known for advertisements to contain

hyperlinks to an advertiser's website.

Macromedia Flash Animation Now Native in RealSystem 5.0"

Macromedia Flash is a well-known system of software for creating

animation, according to the Examiner.

Borella et al (US6182125)

The Examiner states that Borella teaches web pages including original

content and animation.

Chen et al (US5822524)

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Chen shows that it is well known for various programs to be stored on the same server, according to the Examiner.

Kauffman (US Publication 2002/0073084)

The Examiner states that Kauffman teaches a syndication network

collecting a multimedia presentation and a selected advertisement, and

delivering the multimedia presentation containing the selected advertisement.

Sawyer (US6084628)

According to the Examiner, Sawyer teaches randomly selecting

advertisements.

Mack

Mack teaches, according to the Examiner, a web site with cartoon

characters that my sport an advertising t-shirt, and t-shirts commonly remain in

a fixed positional relationship to the characters wearing them as the characters move, whereby an advertisement would dynamically follow a character's series

of actions while remaining in said fixed positional relationship to said character.

Omitted Teaching in Cited Art

Even assuming that the arguments posed by the Examiner are true as to

what the cited art shows, such art still fails to disclose:

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"embedded advertisement placeholder programmed dynamically perform a series of actions that follow the movement of the given item within the multimedia presentation" - Claim 1

- "embedded advertisement placeholder programmed dynamically follow a series of actions of the given item within the selected component as the selected component moves relative to other parts of the multimedia presentation" - Claim 32
- "the advertisement placeholder moves with the given item as the given item moves" - Claim 35
- "embedded advertisement placeholder programmed dynamically follow a series of actions of the given item while the given item moves within the multimedia presentation" - Claim 36
- "inserting the selected advertisements stored separate from the Flash animation into the at least two embedded advertisement placeholders of the Flash animation using a Macromedia Generator computer program, the Generator computer program creating seamless advertisements programmed to dynamically follow the series of actions of the at least two given items integrated within the Flash animation and targeted to the user's demographic characteristics" - Claim 37
- "said embedded advertisement placeholder provides changeable advertisements on said character while said character otherwise remains unchanged" - Claim 38
- "said embedded advertisement placeholder provides changeable advertisements on said first object in the absence of having to substitute a second object for said first object" - Claim 42
  - "said advertisements being changeable in the absence of having to substitute a second object in a second presentation for said first

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object in order to change from a first advertisement to a second advertisement" - Claim 45.

## CONCLUSION

For the above reasons, Applicants respectfully request reconsideration and withdrawal of the rejection, and allowance of the pending claims.

Respectfully submitted,

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